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*This Prospectus is not, and under no circumstances is it to be construed as, a public offering of these shares for sale in the United States of America, or in the territories or possessions thereof.*

NEW ISSUE

**100,000 Shares**

**DEC 17 1962**

**without par value**

# **WHITE ELECTRONIC DEVELOPMENT CORPORATION LIMITED**

(Incorporated under the laws of the Province of Ontario)

The 100,000 no par value shares offered herewith constitute new financing by the Company.

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**Transfer Agent and Registrar:**  
**Montreal Trust Company**  
**Toronto, Ontario**

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We, as principals, offer these 100,000 shares (if, as and when issued and accepted by us) and subject to the approval of all legal matters on behalf of the Company by Roy C. Sharp, Q.C., Toronto, and on behalf of the Underwriter by Messrs. Seed, Nield, Long and Turnbull, Toronto.

**Price: \$1.25 per Share**  
**These Are Speculative Securities**

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**JOHN FRAME & COMPANY**

Members of Toronto Stock Exchange

**11 Adelaide Street West**

**Toronto 1, Ont.**

**Telephone 368-4781**

PRINTED IN CANADA



# WHITE ELECTRONIC DEVELOPMENT CORPORATION LIMITED

The following information has been supplied by Mr. Frank J. White Jr., President of White Electronic Development Corporation Limited.

White Electronic Development Corporation Limited has been in operation since 1955, during which time it has developed and manufactured electronic equipment for use by R.C.A., Canadian General Electric Company and Canadair Limited, notably in the field of ultra high frequency television reception devices.

The Company has acquired all right and title to a Language Laboratory method, for which patents are pending. This invention has been conservatively valued by Industrial Market Research Limited, a division of Gruneau Research Limited, at one million three hundred thousand dollars.

It is the Company's intention to manufacture, sell and install this language laboratory method in schools, universities and other educational institutions in both Canada and the United States. A White Electronics Language Laboratory is now being installed at De La Salle Oaklands College in Toronto.

The funds from the current underwriting will be used to expand the manufacture and sale of language labs and to develop through research in the Company's Laboratory, further electronic devices and inventions, and to manufacture these for sale.



# INDUSTRIAL MARKET RESEARCH LIMITED

MONTREAL - TORONTO - VANCOUVER

## SENIOR ASSOCIATES:

VICTOR C. GRUNEAU

KEITH W. KINGSLAND

RESEARCH HOUSE  
861 BROADVIEW AVENUE  
TORONTO 6, ONTARIO  
HOWARD 9-1131

White Electronic Development Corporation Limited,  
138 Sorauren Avenue,  
Toronto, Ontario.

25th September, 1961

Gentlemen:

It has been our pleasure to investigate on your behalf, the potential market available to your design for a language laboratory and to perform a preliminary evaluation of the share of this market which the company could reasonably expect to achieve by implementing current marketing strategy. As a result of our investigations we have come to the following conclusions:

1. The large scale use of tape-recording devices in schools as a language teaching aid is a relatively recent innovation. Though its efficacy has not been adequately assessed, there is a strong body of opinion in favour of their adoption in all schools.
2. The White apparatus is an improvement over available installations in that it:
  - (a) Permits the student to compare his pronunciation with his instructor immediately after the response, enabling self-correction.
  - (b) Centralizes and simplifies the mechanical apparatus.
  - (c) Represents about 40% of the cost of existing installations.
3. Several authorities in the language teaching field were interviewed in connection with the language laboratory concept and the proposed design and price of the White apparatus. Their comments in summary are:
  - (a) The facility for immediate correction would be a desirable feature for language laboratories.
  - (b) The design of the White apparatus would be an adequate compromise between the ideal of individual instruction and the practicality of class room administration.
  - (c) The White apparatus appears to be superior in quality of reproduction and has a considerable price advantage over existing laboratories which permit student recording.
  - (d) All volunteered an interest in seeing the machine and receiving brochures when available.
4. The prime market potential for language laboratories in the next twenty years in Canada and the United States is conservatively estimated at 458 million dollars.
5. If the White apparatus meets the company's claims, is supported by adequate financing, programming and research, and is marketed under sound and aggressive management, it is estimated that the White apparatus could obtain at least ten percent of the United States market and thirty percent of the Canadian market for language laboratories during the life of the patents applied for.
6. Under the above conditions the market potential for White Electronic Development Corporation Limited in the language laboratory field has a conservatively estimated dollar potential of \$65,400,000.
7. A royalty payment of two percent of gross sales for an apparatus of this nature would be considered low.

Our discussion of these conclusions with supporting data is included in the more detailed report previously submitted under separate cover. It is hoped that this report will be made available to any who wish to study the material in detail.

Respectfully submitted,

(Signed) V. C. Gruneau, *President*,

INDUSTRIAL MARKET RESEARCH LIMITED

A Division of Gruneau Research Limited

VCG/eer

# WHITE ELECTRONIC DEVELOPMENT CORPORATION LIMITED

## BALANCE SHEET

As at August 31, 1961

### ASSETS

#### CURRENT ASSETS

Cash on hand and in bank .....	\$ 283.84	
Accounts receivable — trade .....	5,081.79	
Inventory valued at the lower of cost or market .....	4,172.62	
Prepaid expenses .....	20.52	\$ 9,558.77

#### FIXED ASSETS

Motor vehicles, equipment, and leasehold improvements — at cost . . .	\$28,745.38	
Less — Accumulated depreciation .....	22,599.17	\$ 6,146.21
		<u>\$15,704.98</u>

### LIABILITIES

#### CURRENT

Accounts payable .....	\$ 8,923.07
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### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK

Preference shares —	
Authorized — 480 shares, par value \$100.00 .....	—
Common shares —	
Authorized — 600 shares, par value \$10.00 .....	—
Issued and fully paid — 303 shares .....	\$ 3,030.00

EARNED SURPLUS .....	3,751.91	6,781.91
		<u>\$15,704.98</u>

Approved on behalf of the Board:

(Signed) FRANK J. WHITE, JR., Director

(Signed) FRANK CAMPAGNA, Director

### AUDITORS' REPORT

To the Directors,  
White Electronic Development Corporation Limited.

I have examined the balance sheet of White Electronic Development Corporation Limited as at August 31, 1961 and have obtained all of the information and explanation which I required. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet presents fairly the financial position of the company as at August 31, 1961 according to the best of my information and the explanations given to me and as shown by the books of the company.

September 22, 1961.  
Toronto, Ontario,

"E. BERT GRIMM,"  
Public Accountant and Auditor.



# WHITE ELECTRONIC DEVELOPMENT CORPORATION LIMITED

## PRO-FORMA BALANCE SHEET

As at August 31, 1961

The pro-forma balance sheet is after giving effect to the following:

1. Decreasing the authorized capital of the company by cancelling the 480 unissued preference shares.
2. Changing and subdividing the 303 issued common shares of the par value of \$10.00 each into 6,060 common shares without par value and increasing the authorized capital of the company to 1,000,000 common shares.
3. Issuance of 300,000 common shares as payment for patents pending to which shares the directors have agreed.
4. Issuance and sale of 100,000 common shares to an underwriter under an agreement dated October 2, 1961, of the company's prospectus by the Ontario Securities Commission.
5. Payment of expenses of reorganization and issue estimated at \$5,000.00.

### ASSETS

#### CURRENT

Cash on hand and in bank .....	\$105,283.84	
Accounts receivable — trade .....	5,081.79	
Inventory valued at lower of cost or market .....	4,172.62	
Prepaid expenses .....	20.52	\$114,558.77

#### FIXED

Motor vehicles, equipment and leasehold improvements — at cost ..	\$ 28,745.38	
Less — Accumulated depreciation .....	22,599.17	6,146.21

#### PATENTS PENDING

Acquired for 300,000 common shares to which the directors have fixed a value of \$300,000.00 .....		300,000.00
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ORGANIZATION EXPENSES .....		5,000.00
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\$425,704.98

Approved on behalf of the Board:

(Signed) FRANK J. WHITE, JR., Director

(Signed) FRANK CAMPAGNA, Director

NOTE: While the patents pending were valued at \$1,300,000.00 by Gruneau Research Limited in their appraisal report dated August 1, 1961, for the acquisition of the patents pending.

#### AUDITOR'S REPORT

To the Directors,  
White Electronic Development Corporation Limited.

We have examined the pro-forma balance sheet of White Electronic Development Corporation Limited as at August 31, 1961, and the accompanying pro-forma balance sheet is based on his report.

Subject to the foregoing, in our opinion, the accompanying pro-forma balance sheet presents fairly the financial position of the company as at the date mentioned.

Toronto, October 23, 1961.

# DEVELOPMENT CORPORATION

INCORPORATED

## BALANCE SHEET

August 31, 1961

Common shares without par value of \$100.00 each.

Common shares without par value and the 297 unissued common shares of the par value of \$10.00 each into 5,940

common shares without par value.

Fixed a value of \$300,000.00.

for an aggregate consideration of \$110,000.00, payable within thirty (30) days after acceptance for filing

### LIABILITIES

#### CURRENT

Accounts payable .....	\$ 8,923.07
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### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK

Common shares —

Authorized — 1,000,000 shares, without par value

Issued and fully paid — 406,060 shares .....	\$413,030.00
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EARNED SURPLUS .....	3,751.91	416,781.91
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\$425,704.98

dated in September, 1961 the directors have fixed a value of \$300,000.00 on the shares issued in consideration

## REPORT

We relied upon a balance sheet as at August 31, 1961 reported upon by the Company's former auditor and our opinion in respect  
company as at August 31, 1961 after giving effect to the transactions on which it is based.

Respectfully submitted,  
"PERLMUTTER, ORENSTEIN, GIDDENS, NEWMAN & KOFMAN"  
Chartered Accountants.



## STATUTORY INFORMATION

1. The full name of the Company is WHITE ELECTRONIC DEVELOPMENT CORPORATION LIMITED its Head Office is at 138 Sorauren Avenue, Toronto, Ontario.
2. The Company was incorporated as a private company under the laws of the Province of Ontario by Letters Patent dated October 31st, 1955. These were subsequently amended by Supplementary Letters Patent dated September 28th, 1961, changing the Company to a public company, cancelling all preference shares and fixing the authorized capital at 1,000,000 common shares without par value.
3. The general nature of the business transacted or to be transacted by the Company is that of developing, constructing, improving, manufacturing and selling electrical and electronic equipment — particularly equipment dealing with recording and television devices.
4. The Officers and directors of the Company and their addresses and present occupations are as follows:—

### *Directors*

FRANK JOSEPH WHITE, JR.	6 Glendarling Road, Islington, Ontario	Manager
FRANK JOSEPH WHITE, SR.	83 High Park Ave., Toronto 9, Ontario	General-Manager
EDWARD GEORGE READE	R.R. #3, King, Ontario	Colonel (Rtd)
FRANK CAMPAGNA	10 Sunnydale Drive, Toronto 18, Ont.	Retail Sales Manager
ALEXANDER ROSE	312 Wilson Heights Dr., Downsview, Ont.	Electrical Contractor

### *Officers*

President	—	FRANK JOSEPH WHITE, JR.
Vice-President	—	FRANK JOSEPH WHITE, SR.
Secretary-Treasurer	—	FRANK CAMPAGNA

5. Perlmutter, Orenstein, Giddens, Newman & Kofman, 121 Richmond Street West, Toronto 1, Ontario, were appointed the Company's auditors on the 23rd of October, 1961. The former auditor of the Company was E. Bert Grimm.
6. The register and transfer books in respect of the Company's shares hereby offered will be maintained at the offices of the Montreal Trust Company, 15 King Street West, Toronto 1, Ontario.
7. The authorized capital of the Company consists of One Million (1,000,000) common shares without any nominal or par value, 306,060 of which are issued and outstanding as fully paid.
8. The Company has only one class of shares, all of which rank pari passu with each other.
9. There are no bonds or debentures outstanding or proposed to be issued and there are no other securities issued or proposed to be issued which would rank ahead of or pari passu with the shares hereby offered.



10. No substantial indebtedness other than such indebtedness as it may be necessary to incur in the ordinary course of business is to be created or assumed, which is not shown or referred to in the pro forma balance sheet as of August 31st, 1961, filed and forming part of this Prospectus.
11. No securities are covered by options outstanding or proposed to be given by the Company.  
Reference is made to paragraph 16 hereof and to the agreement therein referred to with the underwriters with respect to the shares hereby offered.
12. 100,000 common shares without nominal or par value of the Company's capital stock are hereby offered to the public at the price of \$1.25 per share. A portion or all of the 300,000 shares referred to in paragraph 21 hereof may be offered for cash through any registered security dealer.
13. The estimated net proceeds to be derived by the Company from the securities offered on the basis of such shares being fully taken up and paid for is \$110,000.00.
14. The specific purposes for which the net proceeds of the issue will be used are for continuing development of electronic products and for general corporate purposes. It is intended that the Company purchase fixed assets including plant equipment, tools and furniture and fixtures at an estimated cost of \$10,000.00.
15. The minimum amount that, in the opinion of the Directors, must be raised by the issue of the shares hereby offered in order to provide the sums for,—
  - (i) the purchase price of any property purchased or to be purchased.
  - (ii) preliminary expenses of the Company,
  - (iii) a commission to any person in consideration of his agreement to subscribe or procuring or agreeing to procure subscriptions for any shares of the Company,
  - (iv) re-payment of any moneys borrowed by the Company in respect of the foregoing matters,
  - (v) re-payment of bank loans,is \$5,000.00 for preliminary expenses only.
16. By an underwriting agreement dated October 27th, 1961, made between the Company and John Frame & Company, 11 Adelaide Street West, Toronto (hereinafter referred to as the Underwriter), the Company agreed to sell and the underwriter as principal agreed to purchase on and subject to the terms set out in the said agreement 100,000 shares without par value of the capital stock of the Company at a price of \$1.10 per share for an aggregate consideration of \$110,000.00, payable within thirty days after the date of acceptance of this prospectus by the Ontario Securities Commission.
17. The by-laws of the Company provide for the remuneration of the directors as follows:—

“The directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall, unless the board shall otherwise determine, be in addition to his salary as such officer or employee or to his professional fees as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of the Company outside

the work or services ordinarily required of a director of the Company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required."

18. No remuneration has been paid to any director or officer of the Company as such, nor is it contemplated paying any remuneration to any director or officer during the current fiscal year, except that it is proposed to pay Frank Joseph White, Jr. a salary not to exceed \$10,000.00 as manager for the first year.
19. No amount has been paid, nor is any amount payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure any subscriptions for any shares in or obligations of the Company.
20. The Company has been carrying on business for more than one year.
21. The Company purchased all right and title to certain patents pending covering a Language Laboratory Method and Equipment from Frank Joseph White, Jr., the inventor and President of the Company, for 300,000 shares without par value of the Company's capital stock, to which a valuation of \$300,000.00 has been attributed.
22. The name and address of the vendor of the property referred to in paragraph 21 above is as follows:—

Frank Joseph White, Jr.,  
6 Glendarling Road,  
Islington, Ontario

No amount of good will was included in the purchase price.
23. 300,000 shares without nominal or par value of the Company's capital stock were issued as fully paid for all rights to the patents pendings, for particulars see paragraph 21 above.
24. No obligations are offered hereby.
25. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the sale of the shares hereby offered, other than the services of the Company's accountants and solicitor incurred in the ordinary course of business.
26. Nothing has been paid nor is it intended to pay anything to any promoter.
27. The Company has not entered into any material contracts except those in the ordinary course of business or those already disclosed in this prospectus.
28. No director of the Company or firm in which a director is a partner has any interest in the promotion of or in any property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by the Company save Frank Joseph White, Jr., the President and a Director of the Company, who received 300,000 shares of the Company's capital stock for the sale to the Company of a certain patents pending for details of which see Item 21 above



29. The business of the Company has been carried on since its incorporation in 1955.
30. Frank Joseph White, Jr. and Stelore Corporation Limited, 330 Bay Street, Toronto, might, by reason of beneficial ownership of shares of the Company, be in a position to elect or cause to be elected a majority of the directors of the Company. Richard Fox, 8 Marbury Crescent, Don Mills, Ontario, and Murray Malkin, 4 Old Park Road, Toronto 10, Ontario, are the beneficial owners of 98% of the shares of Stelore Corporation Limited. Reference is here made to paragraph 33.
- There is no agreement in writing to elect or cause to be elected any directors of the Company except as follows:—
- The underwriting agreement with John Frame & Company (for further particulars of which see paragraph 16) provides that one director shall be elected on behalf of the underwriters.
31. Of the 300,000 shares issued to Frank Joseph White, Jr., pursuant to paragraph 21 above, 250,000 shares are to be held in escrow by the Montreal Trust Company, subject to release as follows:—
- 83,333 shares — 6 months from the date of acceptance for filing of the prospectus herein by the Ontario Securities Commission,
- 83,333 shares — 9 months from such date,
- 83,334 shares — 12 months from such date,
- or earlier with the written consent of the Ontario Securities Commission and the Board of Directors of the Company.
32. No dividends have been paid since the date of the incorporation of the Company.
33. Frank Joseph White, Jr. has agreed to transfer to Stelore Corporation Limited 100,000 shares of his common stock without par value.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

DATED this 30th day of November, 1961.

*Directors*

(Signed) FRANK JOSEPH WHITE, JR.

(Signed) FRANK CAMPAGNA

(Signed) FRANK JOSEPH WHITE, SR.

(Signed) EDWARD GEORGE READE

(Signed) ALEXANDER ROSE

## UNDERWRITERS

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the partnership of John Frame & Company: John Frame, Stewart James, Arthur Bell and Jackson A. Brewster.

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act, and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

JOHN FRAME & COMPANY

(Signed) J. Frame